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Michael O. Leavitt
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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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bcc: MAW
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July 6, 1999

Douglas M. Koza, Deputy State Director
Bureau of Land Management
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

Re: Full Relinquishment of Coal Lease U-8319, Mountain Coal Company, Gordon Creek #2,
#7 and #8 Mine, ACT/007/016, Folder #2, Carbon County, Utah

Darcy
Dear Mr. Koza:

This letter is in response to your letter about the full relinquishment of the above-noted lease. The Division does not object to this relinquishment. The Division conducted a field review of the subsidence effects pursuant to mining on June 23, 1999 and determined that there are no observable features due to subsidence in this area (see enclosed field report from Dave Darby.)

If you have any questions, please call.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lowell'.

Lowell P. Braxton
Director

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Enclosure
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DIVISION OF OIL GAS & MINING FIELD VISIT FORM TECHNICAL

Date : June 30, 1999

Time: 1:00 p.m. to 4:00 p.m.

Mine: Gordon Creek 2, 7 and 8 Mine

File Number: ACT/007/016

DOGM Staff: David Darby

Other Attendees: Dan Guy, Blackhawk Engineering

Purpose:

Subsidence evaluation for full relinquishment of Federal Coal Lease U-8319. Partial relinquishment of Federal Coal Lease U-8319 was issued on April 10, 1987 by the Bureau of Land Management (BLM) and effective on February 26, 1987. Lot 4 in T. 13 S., R. 8 E. Section 18 was retained by the applicant to maintain access and ensure environmental stability. The Lot encompasses 42.99 acres near the reclaimed #7 and #8 Mine portals.

Observations:

I met Dan Guy, Blackhawk Engineering, at the minesite. Dan and I hiked onto the minesite to check areas above the #7 and #8 Mines for potential subsidence. Public access onto the area is limited, because of locked gates and no trespass signs. We hiked some of the slopes above and adjacent to the #7 and #8 Mines. No fractures or slumps were observed.

Cut slopes created during development of the #7 and #8 Portals have been backfilled, regraded and revegetated. Although an escarpment has been left at the #7 Mine, it conforms to the terms outlined for reclamation feasibility with the Office of Surface Mining and Reclamation. No escarpment exists at the #8 portal site.

Dan had conducted a subsidence survey for Mountain Coal Company, on November 15, 1998. Data from the survey was submitted in the annual report. It was received at the Division on April 1, 1999. According to the information presented in the annual report, the area was walked by the Blackhawk Engineering survey crew between all subsidence stations. They reported no recent visible movement, cracks or other subsidence effects.

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Subsidence monitoring and areas of subsidence are identified on Plates 3-4 and 3-5 of the 1998 Annual Report. It appears that subsidence took place prior to 1997 above the workings of the #7 and #8 Mines. Subsided areas are not in the retained Lease (U-8319) and adverse surface impacts have not occurred.

Recommendations/Conclusions:

The lease area does not appear affected by subsidence fracture or slump conditions as a result of mining. I recommended that the Division supports the lease relinquishment by the Bureau of Land Management.

Signature: David W. Daily on July 6, 1999

cc. P. Grubaugh-Littig
D. Haddock
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